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Chairman: Ms. Zubčevic (Vice-Chairman) ..... (Croatia)

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In the absence of Mr. Chowdhury (Bangladesh), Ms. Zubčević (Croatia), Vice-Chairman, took the Chair.

The meeting was called to order at 3.13 p.m.

Agenda item 93: Sustainable development and international economic cooperation

(d) Implementation of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade (A/58/204 and A/58/327)

1. **Mr. Kinniburg** (Director, Development Policy and Planning Office, Department of Economic and Social Affairs), introducing the report of the Secretary-General entitled "Progress towards and challenges and constraints to the achievement of the major development goals and objectives adopted by the United Nations during the past decade" (A/58/327), said that it provided an overview of global economic performance in the first few years of the new millennium and pointed to some new development possibilities offered by the application of new technologies, including biotechnology and information and communications technologies. The report also addressed the challenges arising from the fight against HIV/AIDS and current demographic trends, including ageing, youth unemployment, migrant workers and the reversal of the peace dividend as a constraint to global development. The Millennium Declaration, the Doha Development Agenda, the Monterrey Consensus and the Johannesburg Plan of Implementation were pioneering global partnerships for development. In the light of the recent setback at the World Trade Organization Ministerial Conference in Cancún, the international community, national governments, the private sector, civil society and all others concerned must work even harder to ensure that the commitments made were fully and promptly implemented to compensate for the lacklustre start to the new millennium.

2. **Mr. Aboutahir** (Morocco), speaking on behalf of the Group of 77 and China, reiterated the Group's position concerning the priority activities needed in order to achieve the major development goals. The current international environment did not favour developing countries, which did not have sufficient access to global markets to acquire the resources needed for their economic and social development. The promises and commitments made at the WTO Ministerial Conference in Doha had not been fulfilled. In that regard, he stressed the need for developed countries to open up their markets to the commodities of developing countries and to remove the subsidies paid to their producers, especially in agriculture. Such subsidies distorted the market and were contrary to the spirit and letter of the principle of free trade.

3. The crushing external debt and its servicing were the most pressing concern of developing countries, preventing them from using their meagre resources for development, including of vital sectors such as education and health. Indeed, heavily indebted developing countries had been transformed into net exporters of capital to the rich countries of the North. Countries in the South transferred more resources to the North than they received as official development assistance or foreign direct investment. Unfortunately, donor countries were reluctant to fulfil their ODA commitments, putting in jeopardy the development plans of the majority of developing countries that depended on that form of assistance. In that regard, the Group of 77 and China welcomed the recent slight upturn in ODA triggered by the Monterrey Consensus and hoped that the trend would continue. The situation with regard to foreign direct investment was also bleak. Despite the efforts made by developing countries to improve their investment climate by carrying out appropriate reforms, they were not receiving enough investment flows, which were unevenly distributed. Because of the devastating impact of scourges such as HIV/AIDS on the development efforts of developing countries, the international community, especially the United Nations, must adopt an integrated approach to all development issues. The international community must work very hard to ensure that 2003 and 2004 marked the beginning of concerted efforts to implement the commitments made at the recent major global conferences and summits on development.

4. **Mr. Ramadan** (Lebanon) said that economic growth in the developing world relied increasingly on trade, specifically commodity exports. There was no need for trade-distorting measures and subsidies to protect the interests of certain groups in the developed countries; such distortions kept the developing world

mired in poverty and unable to achieve the sustainable development goals set out in the Millennium Declaration.

5. While his delegation welcomed the increase in ODA to $57 billion in 2002, it noted with regret that the net transfer of resources to developing countries had fallen to a record low of $192.5 billion in 2002. For every $1 invested in developing countries, more than $5 went back to developed countries. The uncertainty over achieving debt sustainability was due to low levels of ODA and the net transfer of financial resources from developing countries. Many changes would have to be made in the world trading and financial systems if the Millennium Development Goals were to be achieved.

The meeting rose at 3.45 p.m.